



# Indusparquet

EXCELLENCE IN BRAZILIAN HARDWOOD FLOORING

## **ALLEGATIONS OF ILLEGAL TIMBER USE AGAINST INDUSPARQUET FALSE AND UNFOUNDED**

*No Irregularity in Wood Origin Found*

June 5, 2018 ... Executives of Indusparquet fully dispute inaccurate media allegations of illegal timber use as false. There have been no findings of irregularity in the origin of the wood used by Indusparquet despite the Brazilian media's false representation of a recent government audit. The government agency conducting the investigation has stated that Indusparquet was cooperative with its process and that findings are related to administrative inconsistencies. The worldwide leader in the production of premium hardwood flooring, Indusparquet is fully committed to using only high-quality, legitimately sourced materials.

A recent government audit found only minor, administrative infractions. In one instance, it was noted that proper documentation in the form of a Forest Origin Document (DOF) was not always filed when products were moved from the company's operational mill to its second mill used for storage purposes only. In a second instance, it was noted that some products in the company's lumber yard were incorrectly labeled as beams, rather than planks. Despite an extensive audit, no other irregularities were identified. Given that materials in question account for less than five percent of the company's total inventory of products, the subsequent decision to suspend the DOF system is inconsistent and the company is taking immediate legal action in Brazil and filing for injunctive relief to protest against such arbitrary decision.

Furthermore, the statement of an embargo, claimed by the newspaper, is false. There is no embargo; rather, there is a suspension in the DOF system, which is part of the country's bureaucracy that allows the purchase and sale of lumber. Indusparquet's core activity of manufacturing high-quality wood floors has not been affected to any extent and the containers that were already loaded have been released for shipment by Brazilian authorities.

"We take responsibility for our minor infractions, yet these are far different from the false and irresponsible allegations made by a single media outlet in Brazil, and there is nothing to warrant the DOF suspension," said Indusparquet USA's General Manager, Mrs. Flavia Baggio. "The false information reported in Brazil has unfairly damaged our reputation, and it is critical to us that we share the truth about the findings of the investigation. We take pride in the standards we use in the production of our products and the faith that our customers have in us."

With more than 40 years in the industry and 30 years doing business in the United States, Indusparquet takes great strides to ensure its products meet international standards, including:

- Securing the CE - Certification Europeenne seal, which proves that its products comply with the requirements and guidelines of the European Union.

- . Maintaining a reforestation program in partnership with ESALQ/USP.
- . Achieving certification by the Forest Stewardship Council (FSC) - a seal that identifies products made from wood from responsibly managed forests, respecting environmental, social and economic aspects of the region – for a portion of its products.
- . Holding the Cadmadeira Legal Certificate, granted by the Environment Department of the State of São Paulo, Brazil.

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